

**BEFORE THE
PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

DOCKET NO. 2018-318-E

IN THE MATTER OF:

Application of Duke Energy Progress, LLC
for Adjustments in Electric Rate Schedules
and Tariffs

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STIPULATION

This Stipulation is made by and between Duke Energy Progress, LLC (the "Company" or "DEP") and Nucor Steel-South Carolina, a Division of Nucor Corporation ("Nucor") (collectively, the "Parties").

WHEREAS, on November 8, 2018, the Company filed an application in the above-referenced proceeding proposing changes in its rates, charges, and tariffs for electric service to be effective on June 1, 2019 ("Application");

WHEREAS, Nucor, a party to this proceeding, filed direct testimony on March 4, 2019 addressing several issues related to the Application;

WHEREAS, the Parties have varying legal positions regarding the issues in this proceeding;

WHEREAS, the Parties have engaged in discussions to determine whether a settlement of any of the issues would be in their best interests; and

WHEREAS, the Parties have determined that their interests and the public interest would be best served by agreeing to resolve, pursuant to this Stipulation, certain issues in this proceeding that have been raised by Nucor.

NOW, THEREFORE, the Parties agree to the terms and conditions set forth below:

1. The Company agrees to and shall modify its proposed Excess Deferred Income Tax

("EDIT") Rider as follows: (a) all deferred revenues from January 2018 through May 2019, related to the reduction in the federal tax rate, shall be returned to ratepayers over three years (instead of five years as originally proposed in the Application); and (b) the amount of Distributed Energy Resource Program ("DERP") deferred balances to be offset under the Rider shall be reduced to \$6 million (instead of \$12.66 million as originally proposed in the Application). As a result of these modifications, this approach will return excess deferred tax-related dollars to ratepayers more quickly and there will be a larger credit to ratepayers under the EDIT Rider in the first three years of the rate increase compared to the EDIT Rider as proposed in the Application, while also offsetting almost half of the DERP deferred balances. This proposal is a reasonable compromise on this issue and is unique to the Company due to DEP having had base rate increases in recent years.

2. In determining the LGS-CUR-TOU rate schedule increase in this proceeding, the Company agrees to apply the final approved LGS class percentage revenue increase to the revenues for the LGS-CUR-TOU rate schedule. This proposal is reasonable and equitable under the circumstances.

3. As to the other issues specifically identified and addressed by the pre-filed testimony of Nucor witnesses in this proceeding (aside from the issues addressed in paragraphs 1 and 2 above), Nucor will not seek a Commission decision on these issues in this proceeding. Instead, the Parties have agreed to continue to work together in good faith in an effort to resolve these issues where possible for future rate proceedings. Notwithstanding such efforts, Nucor shall not be precluded in a future proceeding from raising and/or addressing, without prejudice, any issue Nucor witnesses raised in their pre-filed testimony in this proceeding.

4. Within a reasonable time after the filing of this Stipulation and prior to the commencement of the merits hearing in this proceeding, given the agreement between the Parties, Nucor will withdraw its direct testimony and exhibits filed in this proceeding, and the Company will withdraw its rebuttal testimony that was filed in response to Nucor's witnesses. The Parties agree that such withdrawn testimony and exhibits shall not be entered into evidence in this proceeding.

5. If there is a broader stipulation or settlement agreement entered into between the Company, the Office of Regulatory Staff, and/or other parties to this proceeding, and the parties to such stipulation or settlement (as well as the Company and Nucor) agree, the terms of this Stipulation may be incorporated into that broader stipulation or settlement agreement.

6. The Parties agree that this Stipulation is reasonable, in the public interest, and is in accordance with law and regulatory policy. By narrowing and eliminating some of the issues in this proceeding, this Stipulation also promotes administrative efficiency in the resolution of the issues in this proceeding.

7. This Stipulation does not establish any precedent with respect to the issues resolved herein and in no way precludes either Party from advocating an alternative position in any future proceeding.

8. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission as a fair, reasonable, and full resolution of the issues identified in paragraphs 1 and 2 above in this case.

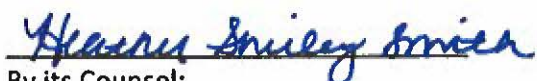
9. Each Party acknowledges its consent and agreement to this Stipulation by authorizing its counsel to affix his or her signature to this document as indicated below. Counsel's

signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind the Parties. This document may be signed in counterparts, with the signature pages combined with the body of the document constituting an original and provable copy of this Stipulation.

EXECUTED ON THIS 29th DAY OF MARCH, 2019.

AGREED TO BY:

Duke Energy Progress, LLC



By its Counsel:

Heather Shirley Smith
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AGREED TO BY:

Nucor Steel – South Carolina, a Division of Nucor Corporation



By its Counsel:

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